



September 22, 2008

Dear State Directors of Agriculture and State Animal Health Officials:

As you are aware, the federal Country of Origin Labeling law for meat and other commodities will take effect September 30, 2008. In an unprecedented meeting earlier this month, more than 30 livestock industry organizations and companies as well as USDA officials, came together in Kansas City to develop universal affidavit/declarations of origin and procedures to assist producers, markets, feeders and packers in moving Country of Origin information along the chain of custody.

We fully realize farmers, ranchers and market operators often turn to their state officials for information and answers to questions on issues of concern to them, regardless of whether the state has jurisdiction over those issues or not. Thus, we thought it might be helpful if you had a copy of the information package LMA is providing its member as well as non-member marketing businesses on the procedures for obtaining affidavits of livestock origin from their sellers and declaring the origin of those animals onto their buyers.

Please contact me by phone, 800-821-2048, or email, nrobinson@lmaweb.com, if you have questions about any elements of the COOL affidavit process and/or how marketing businesses are being asked to implement it.

Sincerely,

Nancy J. Robinson
Vice President, Government
And Industry Affairs

Over 50 years of dedicated service to the Livestock Industry

10510 NW Ambassador Drive • Kansas City, MO 64153-1278 • 816-891-0502 • 1-800-821-2048 • Fax 816-891-7926

Country of Origin Affidavit/Declaration Questions & Answers for Livestock Marketing Businesses

Updated with your questions September 19, 2008

1) What exactly is LMA recommending that Livestock Auction Markets collect from our sellers and provide to our buyers for COOL?

First – Distribute the Livestock Seller Continuous Origin Affidavit to as many of your sellers as possible in an effort to get these affidavits on file before livestock arrive at your facility. To help, LMA has drafted a sample producer letter to be sent along with the affidavit. Marketers should also provide copies of the Livestock Seller Continuous Origin Affidavit to market reps and at the unloading area to get additional affidavits completed as livestock are consigned or delivered to the auctions. As the auction collects signed affidavits from sellers, make a notation in the customer's file that an affidavit has been received or create a list for easy reference so that office staff will be aware of any need to collect affidavits from sellers.

Second – Complete a Continuous Country of Origin Affidavit for Direct Sales to Packers and submit that affidavit to all packer buyers doing business with the auction and keep a record of that affidavit in your files.

Third – Stamp or print the Marketing Business Buyer Invoice Declaration onto all Buyer Invoices. LMA can assist members in ordering customized self-inking stamps to simplify the addition of this language to buyer invoices. (Unless otherwise required by your buyers to do so, you also may have your signature printed or stamped on the invoice declaration.)

Fourth – Keep your sellers affidavits and declarations on file at your business. The Livestock Seller Continuous Origin Affidavits should be kept on file indefinitely or until the seller revokes the affidavit in writing.

2) Who can sign an Origin Affidavit/Declaration?

Only the individual with firsthand "knowledge, the producer, ranch manager, business representative, etc., of the origin of the livestock being transferred may sign a Country of Origin Affidavit/Declaration". An affidavit signed by the producer/owner/manager with firsthand knowledge can be delivered by a trucker or transporter – **truckers and transporters cannot sign for the origin of livestock.**

3) How often do I need to collect a signed affidavit from my sellers?

If you have collected Livestock Seller Continuous Origin Affidavit from your sellers, that affidavit is kept on file at your marketing business and remains in effect until that seller informs you of any changes to the origin of his/her livestock and revokes that affidavit in writing.

4) When should I begin collecting these signed affidavits/declarations?

You should begin **now**. The Country of Origin Labeling (COOL) law takes effect September 30, 2008.

5) What information do I provide my buyers?

You will provide your buyers with a Marketing Business Buyer Invoice Declaration on the livestock covered by that specific transaction, which is based on the country of origin information provided by your sellers' origin affidavits/declarations. This Marketing Business Buyer Invoice Declaration may be stamped, printed or otherwise attached to your sales documents, invoices, recaps, etc. The origin of the animals must be identified in the space provided and the declaration signed by a representative of your business. LMA can assist members in ordering customized self-inking stamps to simplify the addition of this language to buyer invoices. (Unless you are otherwise required by your buyers to do so, you also may have your signature printed or stamped on the invoice declaration.)

6) I sell only U.S. born & raised livestock; can I use a Continuous Origin Affidavit for all of my buyers?

Yes, you can for all buyers willing to accept a Continuous Country of Origin Affidavit. For your packer buyers it is recommended that you file with them a Continuous Affidavit/Declaration for Direct Sales to Packers. The affidavit that you would file with a non packer buyer may not need to include the third paragraph found currently on the Continuous Country of Origin Affidavit for Direct Sales to Packers.

7) Some buyers in my area have been requiring a statement for a few years regarding the origin of livestock purchased through my auction. Can I just use those forms or language for COOL?

Perhaps, but many of the statements that have been used in the past include language that has not been agreed upon by the industry and is not legally sufficient for COOL. For example, if the statement you currently use includes the language "To the Best of My Knowledge" it won't qualify for COOL. To be safe, send a copy of any documents that are in question to LMA to discuss the language and how it would qualify.

8) I have a Producer, Stocker or Background customer that has filed a Livestock Seller Continuous Origin Affidavit with my business stating that all of the livestock he sells is of USA origin. What do I do if he arrives at my sale with a load that includes some Mexican animals?

Your customer can sign a Livestock Seller Single Transaction Declaration for the livestock consigned that day, or if he is likely to consign foreign origin livestock again, he should change his continuous affidavit that is on file with your business. **Don't forget to also declare the Mexican origin of those cattle on the buyer invoice.**

9) There has been talk about Visual Inspection to support an origin declaration. How does it work?

The industry and USDA understand that while all sectors of the industry are ramping up efforts to collect affidavits and declarations of origin, not all livestock sold will have an affidavit/declaration on file. USDA has agreed that, at least for an initial period of time while COOL is being fully implemented and perhaps permanently with publication of the final COOL rules, visual inspection of cattle for domestic foreign brands, tattoos and ear tags, or the absence thereof for USA origin livestock, is allowed to support a declaration of origin. Thus, for the purpose of declaring the origin to your buyers until you have received affidavits of origin from your sellers, you may visually inspect cattle going through your marketing business to establish your declaration of origin to your buyers.

10) What should I be looking for when visually inspecting livestock to establish origin?

Mexican origin cattle imported to the United States will have a light blue metal clip or bangle ear tag that will have a series of numbers and letters on it and an "M" brand on the right hip near the tail-head.

Canadian origin cattle will have a permanent "CAN" brand applied to the animal's right hip, high on the tail-head, or a tattoo with the "CAN" letters applied to the inside of the left ear. All Canadian imported cattle will also be individually identified with a unique tamper-resistant official ear tag with the Canada country code, "124", appearing as a prefix to a 15 digit number or as a mark on the tag.

Sheep & Goats from Canada, under 12 months of age, can be imported into the United States but may only go under seal to a designated feedlot or direct to a recognized slaughter facility, thus a market would only be receiving sheep of USA origin.

11) What do I do if I have livestock at my facility to be marketed but I do not have a signed affidavit at sale time?

In these instances, utilize Visual Inspection to establish the origin of the livestock to be sold and upon which you will establish your declaration of origin to the buyers. After visually inspecting however, it is in your best interests to collect, as soon as possible, a continuous affidavit/declaration from your seller.

12) I have livestock at my facility and the seller is unwilling to sign an affidavit/declaration of origin. What do I do?

Visual Inspection will work for some interim time period but, because it is uncertain whether it will be permitted permanently to support a declaration of origin up the chain, you should make every attempt to get them to sign a continuous affidavit. It is important for your sellers to understand that Country of Origin Labeling is Federal Law. Any seller who wishes to send livestock into commerce must declare the origin of his/her livestock either through these affidavits/declarations of origin or by individually identifying USA origin cattle with an NAIS compliant 840 ear tag.

13) Are these affidavits/declarations standardized documents that LMA or USDA will be sending to us for use or can we reproduce this information in house?

You should reproduce the language contained in the affidavits/declarations to be used at your facility in the format that you feel best suited to your business. Postcards, business letterhead, check-in slips, sales documents, stamps, etc. You can print or reproduce the affidavit/declaration language in any format, so long as the signed affidavit/declarations can be kept on file at your facility for at least one year from the time of sale.

14) Do I have to use the language from these origin affidavits/declarations?

It is highly recommended that you utilize the language contained in these origin affidavits/declarations. The livestock industry sector, specie, food retail organizations and companies that came together to draft this language did so in an effort to develop a simple, universal affidavit/declaration process.

15) What do I do if I am asked to sign or use an origin affidavit/declaration that differs from what is described here?

Despite all best efforts to create a universal and unanimously accepted affidavit/declaration process there is still a potential that you will be asked to sign an affidavit/declaration that has been customized by an individual buyer or company. To insure that your liability is protected, it is recommended that you contact LMA to review these documents before signing.

16) Who can I contact for more information?

We encourage you to contact Livestock Marketing Association at 800-821-2048 for more information about COOL. It is our goal to assist our members in making the transition into COOL as simple as possible and to protect our members and their customers from any misinformation.

Sample Producer Letter

Letter for Customers of marketing businesses regarding Continuous Origin Affidavits

Dear _____,

On September 30, 2008 Country of Origin Labeling (COOL) goes into effect as federal law. Under COOL all livestock must have their origin (USA, USA and/or Canadian, USA and/or Mexican, etc.) declared before the animals are sold. As a livestock producer this will mean that you will need to sign an affidavit or origin declaration when you market your animals.

To simplify this process, we are asking that you sign and return the accompanying Continuous Origin Affidavit. This affidavit allows you to declare the origin of all livestock that you sell and is valid until you revoke or change the affidavit in writing. In other words, if all the livestock that you sell are of USA origin you will only need to sign this Continuous Origin affidavit once, we will keep the record on file and it will automatically declare the origin of all livestock that you sell until you have revoked the affidavit or changed it.

If you do not already have a Continuous Origin Affidavit on file with us when you wish to market your livestock you will be asked at that time to either sign a Continuous Origin Affidavit or a one-time declaration of origin for the livestock selling that day. It will be important that you, the owner or person with first hand knowledge about the livestock being marketed, sign the affidavit. We will not be able to accept an affidavit signed by a trucker or transporter.

For those purchasing livestock, we will provide an origin declaration on your buyer invoice or other purchase documents declaring the origin of the livestock listed in that transaction. It is very important that you collect a similar declaration from whom ever you purchase livestock and you should keep these documents on file for one year from the purchase date.

In addition to using an affidavit/declaration of origin, the U. S. Department of Agriculture permits the use of an official ear tag and/or marking on animals that are part of a National Animal Identification System (NAIS) compliant system or other official identification system, such as the Canadian or Mexico official systems. For information on the use of COOL compliant identification systems, we strongly suggest you contact your local USDA Farm Services office.

Please let us know if you have any questions about the implementation of COOL, as we wish to work with you to make this process as workable as possible for all concerned.

Sincerely,

Livestock Seller Continuous Country of Origin Affidavit

As an affidavit is deemed by USDA as an official record of Country of Origin, I attest through first-hand knowledge, normal business records, or producer affidavit(s) that all livestock referenced by this document or other communications specific to the transaction and transferred are of _____ origin. Should the origin of my livestock become other than that described above, I agree to notify the buyer/agent when this occurs.

This affidavit/declaration shall remain in effect until revoked in writing by the undersigned and is delivered to _____ (agent/buyer).

Signature

Date

Livestock Marketing Business Name

Over for Explanation of Use

How & When to Use the Livestock Seller Continuous Country of Origin Affidavit

Intended Use: The language above is intended for use by anyone selling livestock, including producers, backgrounders, stockers or dealers.

For example: It is recommended that wherever possible marketing businesses collect a signed "Livestock Seller Continuous Country of Origin Affidavit". (The seller must declare the country of origin (USA, USA and/or Canadian, USA and/or Mexican, etc.) on the affidavit of any livestock he expects to sell through your business.) Once the marketing business has a signed continuous affidavit on file from a seller, no other affidavit or declaration of origin is necessary unless the origin of the livestock being sold has changed and the seller revokes the affidavit in writing. (If a seller brings in animals of an origin different than that declared on his/her continuous declaration, they should change their continuous declaration or sign a Single Transaction Affidavit/Declaration for that particular transaction.)

How it Works: A seller will complete this affidavit by filling in the five blank spaces with the appropriate information.

If selling through an auction market: in the space located in paragraph one the seller will declare the origin of *all* the livestock that they will sell or transfer through the receiving auction market. The origin can be declared as USA, USA and/or Canadian, USA and/or Mexican, etc. In the space located in the second paragraph the seller can list or the auction market can pre-print the auction name. In the final three spaces the seller will provide a signature, the date that the affidavit is being filed and if applicable a ranch, farm or business name.

Printing Methods: LMA recommends duplicating this affidavit and distributing it to all of your regular sellers. Markets might also consider duplicating this affidavit and having their field representatives collect the affidavit from their customers ~~prior to a consignment.~~ Finally, to accommodate sellers that do not yet have an affidavit on file with an auction, make copies available at check in. Remember though, only someone with firsthand knowledge of the origin can sign these affidavits--truckers and transporters can not.

Continuous Country of Origin Affidavit for Direct Sales to Packers

As an affidavit is deemed by USDA as an official record of Country of Origin, I attest through first-hand knowledge, normal business records, or producer affidavit(s) that all livestock referenced by this document or other communications specific to the transaction and transferred are of _____ origin. Should the origin of my livestock become other than that described above, I agree to notify the packer/buyer when this occurs.

This affidavit/declaration shall remain in effect until revoked in writing by the undersigned and is delivered to _____ (agent/buyer).

I attest that the undersigned business will maintain records of livestock origin for one year from the date of delivery of the livestock to the packer/buyer and that these records reflecting specific transactions are available for inspection for the sole purpose of compliance with an audit as described by the country-of-origin labeling provisions contained in the Farm Security and Rural Investment Act of 2002 as amended. (P.L. 108-767, USCA section 1638a, 2003).

Signature

Date

Livestock Marketing Business Name

Over for Explanation of Use

How & When to Use the Continuous Country of Origin Affidavit for Direct Sales to Packers

Intended Use: The language above is intended for use by anyone selling direct to a Packer. This may include producers, dealers, feeders/finishers and/or auction markets/marketing businesses.

For example: an auction market, that is confident that all of the weigh cows or fat cattle selling through their facility are of USA, Canadian and/or Mexican origin, should place a signed affidavit on file with their packer buyers. The signed affidavit will remain in effect until changed or revoked in writing by the auction market that submitted it or the packer with whom it is on file.

How it Works: Complete this affidavit by filling in all 5 blank spaces with the appropriate information.

If completing this as an auction market: in the space located in paragraph one you declare the origin of ***all*** the livestock that you will sell or transfer to this buyer. The origin can be declared as USA, USA and/or Canadian, USA and/or Mexican, etc. In the space located in the second paragraph you identify the packer that you are placing this affidavit on file with. In the final three spaces you will include a signature for your business, the date that the affidavit is being filed and the full name of your business.

Printing Methods: LMA recommends duplicating this language, adding your business information and submitting it to all of your packer buyers.

Marketing Business' Buyer Invoice Declaration

I attest that all livestock referenced by this document and transferred are of
_____ origin.

Signature

Over for Explanation of Use

How & When to Use the Marketing Business' Buyer Invoice Declaration

Intended Use: The Marketing Business' Buyer Invoice Declaration is intended for use by all livestock marketing businesses.

For example: as an auction market you should add this declaration to all of your buyers invoices to declare the origin of the livestock listed on each transaction. LMA recommends automatically adding this declaration to all buyer invoices or other transaction documents. To back up this claim you must collect affidavits or declarations of origin from all of your producers / sellers and keep that information on file at your business.

How it Works: Complete this declaration and stamp, print or attach it to a buyer's invoice or other transaction statement by filling in the two blank spaces with the appropriate information. In the first space print the origin of the livestock listed on that specific transaction. The origin can be declared as USA, USA and/or Canadian, USA and/or Mexican, etc. In the signature space, hand sign or print the signature of a representative of your marketing business.

A date and business name are not required if this language is attached to a buyer's invoice or other transaction statement that already includes that information. Remember: this declaration only applies to the livestock listed on the transaction or invoice to which it is attached.

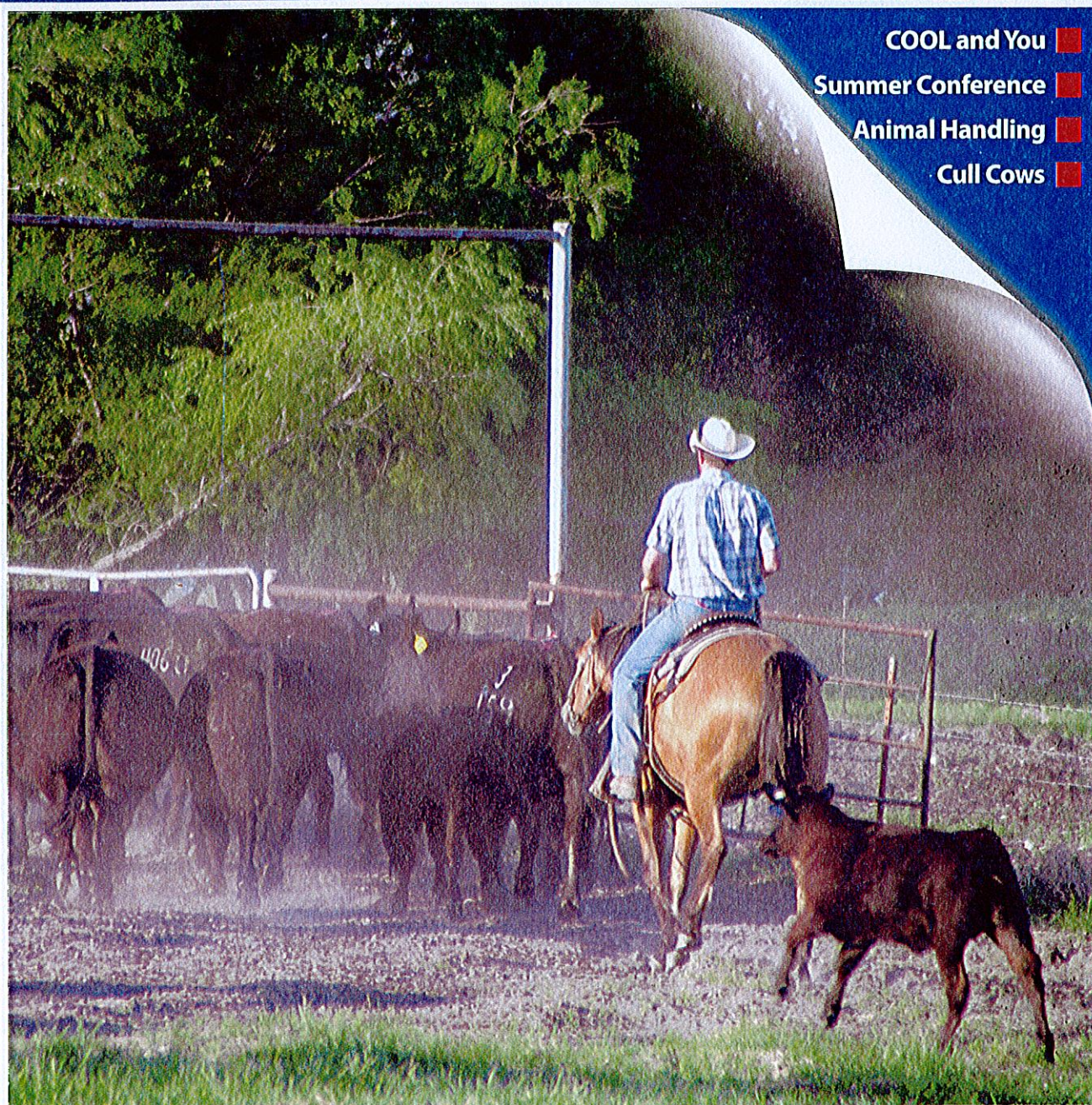
Printing Methods: In Auction Markets, LMA recommends stamping, printing or stapling a photocopy of this declaration to your buyer's recap, invoices or other transaction documents that list the livestock purchased or changing ownership.

****Custom stamps are available by contacting LMA at 800-821-2048. ****

SEPTEMBER 2008

NATIONAL CATTLEMEN

The Journal for America's Cattle Producers

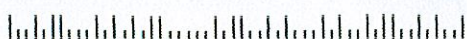


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Keep Records for COOL Compliance

By Heather Vaughan

On Aug. 1, USDA published the interim final rule on Country of Origin Labeling (COOL) in the Federal Register. The interim final rule was developed in response to provisions in this year's Farm Bill amending COOL. The rule is being issued to allow the industry to comment prior to issuing a final rule, while simultaneously meeting the Sept. 30 COOL implementation deadline.

"NCBA is committed to implementing COOL in a manner that provides maximum benefit and minimal disruption to our cattle producers," says NCBA President Andy Groseta. "We will work with USDA and our affiliates to ensure that producers have standard requirements for recordkeeping that do not interfere with everyday business operations."

COOL was originally mandated as a part of the 2002 Farm Bill. However, full implementation had been delayed until this September. The 2002 law put the burden of proof on producers and made the COOL process cumbersome and unworkable. NCBA worked with lawmakers, producers and other partners to make the rule less onerous.

The resulting interim final rule incorporates changes that make mandatory labeling more feasible for producers, and promotes U.S. beef products without placing undue burden on the cattle industry.

Cattle producers are not directly regulated by the COOL rule, which means that record keeping activities will have to be worked out in conjunction with processors and

retailers.

It is anticipated that an affidavit will be all that is expected of cattle producers in determining country of origin. Usual business records can be used to verify those claims in the event of an audit.

However, USDA has not, and will not, issue a standardized affidavit. NCBA will be working with industry partners to develop a standardized affidavit that can be used by all producers.

Producers can ease the compliance and audit process by ensuring they have some sort of record on hand that verifies the origin of cattle. Import documents, calf books, health records, and other typical business records will suffice for this purpose. What's more, producers who participate in a National Animal Identification System (NAIS) compliant program will have all necessary information for COOL compliance already covered by the animal ID system. No further records will be required.

NCBA is focusing on helping producers comply with the new regulations. There will be no grace period for implementing COOL, but for the first six months following the implementation deadline, the government will focus on outreach and education rather than enforcement.

NCBA will be leading the effort to develop producer education tools to help cattlemen comply with the new system.

During the comment period on the interim final rule, NCBA will work to address a number of

Continued on next page

Fall Campaigns: Get to Know Your Candidates

Sept. 1 means there are 64 days until the November general election.

While it may have seemed like campaigning for your vote



Elizabeth Bostdorff

started a long time ago, these last few days are the heart of message time for candidates.

What does this mean for cattle producers? It means that this is the best time to figure out where your candidates stand on the issues that are important to you and your operation. As communities host debates, town hall meetings, candidates' forums, or even chicken dinners, attend these events and talk to the candidates. Ask them about the issues and keep asking until you get an answer.

Right now the best way to make a difference in your state capitol, or Washington, D.C., is to find out where the candidates stand and vote for those candidates that understand our issues and want to make a positive difference.

Some policy issues that are receiving attention are the Death Tax, horse processing, the Clean Water Act, wolves, BLM, TB, ethanol and energy, and free trade. Whatever issue matters to you, ask your candidates where they stand on it.

Your best source for finding local events that the candidates will be at is your local newspaper or community bulletin board. Everyone will be asking for your vote, so be sure to educate yourself about the candidates and vote for the best one out there!



YOUR CAPITOL CONCERNS

Continued from previous page

outstanding issues, including what constitutes first-hand knowledge of an animal's origin, and whether that claim can be made at a livestock market or feedlot, rather than prior to departure from a cow/calf operation.

Because all cattle imported from Canada are branded with the letters "CAN" and Mexican cattle are branded with an "M," NCBA is working to determine if these brands are sufficient evidence to determine origin. NCBA

also believes that in the absence of one of these brands, the assumption should be that cattle are from the United States.

One of the most pressing questions is what a standardized affidavit declaring origin should look like, and what information producers can expect to provide. Also critical is what label category retailers will favor and how will that impact producer recordkeeping.

The Beef Labels

The interim final rule creates four label designations:

U.S. Origin – Muscle cuts of beef and veal must be derived exclusively from animals born, raised, and slaughtered in the United States or animals that were present in the United States before July 15, 2008, and have remained here since.

Multiple Countries of Origin that include the United States – If an animal was born, raised, and/or slaughtered in the United States, and was not imported for immediate slaughter, the origin of the resulting meat products derived from that animal may be designated as Product of the United States, Country X, and/or Country Y, where Country X and Country Y represent the actual or possible countries of foreign origin. An example of that label would be "Product of the United States, Mexico, or Canada."

NCBA pressed to get this label included, realizing that should animals imported from Canada and Mexico and then fed in the United States get lumped in with those imported for processing only, producers that add significant value to an animal could potentially lose out on that recognition.

Imported Direct for Slaughter – If an animal is imported into the United States for immediate slaughter and spends less than two weeks in the United States, the origin of the resulting meat products derived from that animal will be designated as Product of Country X and the United States. An example of that label would be "Product of Canada and the United States."

The primary difference between this category and the Multiple Countries of Origin category is the placement of the United States, which comes last for cattle imported for immediate processing.

Imported Beef – Boxed beef imported into the United States must be labeled with its country of origin before it comes into the U.S. An example of that label would be "Product of Australia."

Ground beef will be required to list all countries of origin contained within that batch, or that may be reasonably contained in that batch. A processor has 60 days upon purchasing beef from a country to add that country to its labels, and 60 days after removing that country's beef from its supplies to then remove that country from its labels.

Staff Profile:

**Quin Giambrone, Associate Director
NCBA's Political Action Committee
Washington, D.C.**

One of the many new faces in our D.C. office is Quin Giambrone, the associate director of NCBA's Political Action Committee (PAC). Contributions to the PAC give NCBA opportunities to present issues vital to cattlemen directly to politicians and elected officials.

"The PAC is an important component of our policy efforts," Quin explains. "Members' contributions have a significant impact on our ability to advocate for America's cattle producers."

Quin is originally from Ohio, where she attended Denison University before graduating from George Washington University. While in Ohio, she developed



her interest in politics while working for Congressman David Hobson. Prior to joining NCBA, she honed her experience on PAC issues at the American Council of Life Insurers.

At NCBA, she is focusing on building a broader awareness and membership base for the PAC.

"NCBA's PAC works exclusively for cattlemen," she says. "It's the one political tool that crosses party lines and works on a one-on-one basis to advance ranchers' concerns."

With the election cycle in full-swing, Quin has her work cut out for her. "Now is the time to make our voice heard," she explains. "By working with candidates early on, we can identify how best to present our agenda."